

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Competitive Metering, Billing and Information Services ) D.T.E. 00-41

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REPLY COMMENTS OF UTILITY.COM

REGARDING COMPETITION IN BILLING AND METERING

Utility.com is pleased to offer the following reply comments regarding competition in metering.

In its initial comments, Utility.com described the benefits of advanced metering and argued that advanced metering is essential to achieving the benefits of electric competition. Advanced metering will bring electricity prices down by encouraging customers to shift usage from peak periods, which reduces peaks and thus peak prices. Advanced metering will also enable a host of new products and services, including pricing plans and load management technologies.

Utility.com also explained that, while competitive metering may benefit large customers, it is unlikely to deliver advanced metering to small customers. This has been the experience in California, where small customers are not being served by the competitive metering market. The cost of competitive metering is simply too high.

Just last week, the official electricity consumers group in the UK delivered the same message.

In the UK, metering is now competitive for all customers. However, on September 1, 2000, the National Electricity Consumers Council (NECC) issued a press release explaining that competitive metering has failed to bring the advanced metering to small customers, and calling on the Regulator to act to promote wide scale deployment of advanced metering.

The NECC is made up of the chairmen of the 14 regional Electricity Consumers' Committees, which were established under the Electricity Act of 1989 to represent the interests of all electricity consumers. The NECC members are appointed by the Director General of Electricity Supply.

The NECC's September 1, 2000 press release is quoted in its entirety below.

1 September 2000

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### COMPETITION ALONE WILL NOT DELIVER METERING BENEFITS TO CONSUMERS

Consumer Watchdog - The National Electricity Consumers Council (NECC) today called on the industry Regulator to take positive action to promote the development of smart metering.

Rodney Brooke, NECC Chairman said: " British meters are primitive and lag behind the rest of the world. Competition has prevented progress. We believe that the Regulator should take positive steps to promote the development of modern metering rather than wait to see if market forces will bring change.

To date only one major supplier has announced that it would pilot modern metering technology on a large scale. The Regulator's current policy is not delivering.

Consumers could get numerous benefits from smart meters including lower electricity prices under the new electricity trading arrangements. Without them, domestic consumers will not have the savings they should. Research shows that advanced meters lead to energy savings of 10% for all electric houses and 5% for gas heated homes."

Smart metering benefits include:

- An end to estimated bills since readings can be taken remotely
- A reduction in the number of power cuts and faster reconnection when they do occur
- Lower prices for prepayment meter customers, many of whom are on low incomes
- A real choice in tariffs
- Better energy management which will reduce customers' bills
- Immediate action when vulnerable consumers have a power failure.

### NOTES TO EDITORS

Media Enquiries: Please contact Rodney Brooke on 020 7828 7790 or mobile 07956 887 849.

The National Electricity Consumers Council: the Chairmen of the 14 regional ECCs meet regularly in the forum of NECC. NECC enables Chairmen to provide an independent collective consumer view on key issues and to take joint action on issues of national interest to electricity customers.

Mr Rodney Brooke CBE is the Chairman of NECC. Mrs Elizabeth Derrington is the Deputy Chairman.

The Electricity Consumers' Committees (ECCs): ECCs were established in 1990, under the Electricity Act 1989, to represent the interests of all electricity consumers. There are 14 ECCs, one for each of the public electricity supply companies. ECCs are independent bodies. The Chairmen of the ECCs are appointed by the Director General of Electricity Supply after consultation with the Secretary of State.

Massachusetts should learn from the experience in the UK. Massachusetts should not count on competition to bring the benefits of advanced metering to small customers.

Respectfully submitted,

Andrew Madden

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